



STATE OF ARKANSAS
**Department of Finance
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FOR IMMEDIATE RELEASE

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Texarkana Taxpayers Subject To 3% Individual Income Tax Surcharge

LITTLE ROCK, AR— Arkansas law was amended by Act 38 of 2003 (1st Ex. Session) to levy a 3% individual income tax surcharge on all Arkansas taxpayers, including people living or working in Texarkana, Arkansas. Prior to the adoption of Act 38, residents of Texarkana, Arkansas and persons residing in Texarkana, Texas who work in Texarkana, Arkansas were exempted from Arkansas income tax under the “Border City Exemption”. Since 1978, these taxpayers have been required by law to file an Arkansas income tax return reporting their income earned from Arkansas sources and claiming the Border City Exemption. Under Act 38, persons living or working in Texarkana, Arkansas will continue to file an Arkansas income tax return and will now pay the 3% surcharge in the same manner as other taxpayers.

A new form was included in the 2003 tax booklet for Texarkana taxpayers to pay the 3% surcharge. This original form did not accommodate apportionment of the surcharge for taxpayers who, during 2003, were either nonresidents working in Texarkana, Arkansas or were part year residents of Texarkana, Arkansas. The form has now been revised to accommodate the apportionment of the surcharge. Taxpayers claiming the “Border City Exemption” who must apportion their tax should use the new form instead of the surcharge form in the tax booklet. Taxpayers who were full year residents of Texarkana, Arkansas during 2003 may continue to use the surcharge form included in the tax booklet.

The new form is now on our website: http://www.state.ar.us/dfa/taxes/ind_tax/2003forms/Texarkana%20Surcharge.pdf or can be obtained by calling or writing our office. You may contact the Arkansas Individual Income Tax Taxpayer Assistance Office toll-free at 1-800-882-9275 (in Arkansas only) or 501-682-1100 (out of State), or at Income Tax Forms, P. O. Box 3628, Little Rock, AR 72203-3628. The form will also be available in the Texarkana, Arkansas Revenue Office at 801 East 4th, Texarkana, AR, phone (for forms availability information only) 870-773-3871.

Also, all Arkansas taxpayers are affected by a change to the filing date enacted by Act 774 of 2003. This Act moved the tax return due date from May 15th to April 15th. The Arkansas income tax return is now due the same date as the federal return.